

**SAN JUAN COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**San Juan County, Washington**  
**January 1, 1992 Through December 31, 1994**

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**Schedule Of Findings ) San Juan Parks And Recreation District**

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1. The San Juan Parks And Recreation District Should Institute Proper Cash Receipting Procedures

Our review of San Juan County's financial statements indicated the San Juan Parks and Recreation District received local revenues of approximately \$40,676, \$13,371, and \$5,258 in 1994, 1993, and 1992, respectively. However, the district is unable to provide evidence of receipt forms used to receipt in any of these local revenues during the three-year audit period.

RCW 43.09.200 states in part:

. . . The system shall exhibit true accounts and detailed statements of funds collected, received, and expended for account of the public for any purpose whatever, and by all public officers, employees, or other persons.

The accounts shall show the receipts, use, and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction . . . .

Due to the absence of a receipting function at the district level, we cannot be assured all moneys received by the district were deposited with the county treasurer. Such a weakness reduces the district's control over public moneys and increases the risk of loss or misuse.

The San Juan Parks and Recreation District is a new entity. District management appears to have been unaware of the procedures necessary to support and prove the validity of each revenue transaction.

We recommend the district improve controls over cash receipts by instituting the following procedures:

a. The district should institute the use of a two-part, prenumbered cash receipt form preprinted with the district's name. District personnel should retain the colored carbon copy and give the original portion of the receipt to the individual payor. The design of the form should include, at a minimum:

(1) Date, payor, and amount,

(2) Description of receipt,

(3) Mode of payment (i.e., check, cash, wire), and

(4) Signature of the person accepting the receipt.

- b. The district should deposit receipts intact with the county treasurer on a timely basis.
- c. The district should maintain the carbon copies of receipts and all other documents necessary to support receipt transactions.

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**Schedule Of Findings ) San Juan County Fire Protection District No. 4**

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1. San Juan County Fire Protection District No. 4 Should Comply With Statutory Bidding Requirements

In April 1995, the district entered into an Interlocal Cooperative Purchasing Agreement with the City of Dupont Volunteer Fire Department for the purchase of commercial pumper fire trucks. The purpose of the agreement was to allow the district to purchase two H & W model 150/75-1 1500 gpm pumpers using the City of Dupont's competitive bids dated September 16, 1994. The City of Dupont's bid specifications state in part:

Sealed proposals will be received by the Dupont Fire Department . . . the 16th day of September 1994 for the furnishing of one Triple Combination Pumping Apparatus. Apparatus must be completed and delivered before June 1, 1995.

On July 19, 1995, the district entered into a lease-purchase agreement for two pumpers with Banc One Leasing Corporation. According to the agreement, lease payments are to begin on January 15, 1996. Although the district does not yet have physical possession of the trucks, it appears they are legally committed to the lease purchase.

RCW 52.14.110 states in part:

. . . Insofar as practicable, purchases by the district shall be based on competitive bids. A formal sealed bid procedure shall be used as standard procedure for purchases executed by the board of commissioners.

RCW 52.14.120 states in part:

Notice of the call for bids shall be given by publishing the notice in a newspaper of general circulation within the district at least thirteen days before the last date upon which bids will be received.

By using the City of Dupont Fire Department's sealed bids, the San Juan Fire District has not complied with the bidding procedures required by state statute. Dupont's bid was limited to one truck. Thus, the purchase of two other trucks by San Juan Fire District No. 4, constitutes a unique and separate transaction which should have been put to bid. By using Dupont's bid, not all qualified bidders were given the opportunity to bid. Therefore, no assurance can be given that the best vendor at the best price was selected.

The district commissioners appeared to believe the bid law requirements would be satisfied by the Interlocal Agreement with the City of Dupont Volunteer Fire Department.

We recommend the district refrain from transactions whereby bidding procedures are circumvented in the future. We further recommend the district establish policies regarding formal sealed bid procedures to ensure compliance with bidding requirements as outlined in RCW 52.14.110 and .120.

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**Schedule Of Findings ) San Juan Cemetery District No. 1**

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1. San Juan Cemetery District No. 1 Should Refrain From Compensating Commissioners For Services

San Juan Cemetery District No. 1 generally has an open public meeting each month. These meetings are managed by a board of cemetery commissioners composed of three members. In September 1992, San Juan Cemetery District No. 1 commissioners passed a motion to pay themselves fifty dollars per meeting. It was stated the motion would be effective immediately. Payments to the commissioners for monthly meetings has continued to be the district's practice.

RCW 68.52.220 which applies to public cemeteries states in part:

. . . Members of the board shall receive no compensation for their services, but shall receive expenses necessarily incurred in attending meetings of the board or when otherwise engaged in district business  
. . . .

By choosing to pay themselves fifty dollars per meeting, the district commissioners have effectively violated RCW 68.52.220 which states no compensation for services shall be received.

The district commissioners were under the impression these payments were allowable. Their reasoning was based in part on the fact that they manage an old church on the historical register of San Juan County. Management of the church is outside the normal duties of a public cemetery as defined by state statute. Therefore, the commissioners concluded the fifty dollars per month was a permissible expenditure.

We recommend the district discontinue the monthly meeting payments. We further recommend the commissioners claim only expenses necessarily incurred in attending cemetery board meetings or when otherwise engaged in district business.